



BellSouth Telecommunications, Inc. 615 214-6520
Suite 2104 Fax 615 214-8858
333 Commerce Street
Nashville, Tennessee 37201-3300

Charles L. Howorth, Jr.
Regulatory Vice President

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February 2, 2000

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37245

Re: Tariff to Offer CSA TN99-4974-00 for Frame Relay, Broadband Exchange Line-
Fast Packet Option & MegaLink Services, and Tariff to Offer CSA TN99-7552-00 for
Primary Rate ISDN Service,
Docket 00-00032 and Docket 00-00051

Dear Mr. Waddell:

Please accept this letter in response to the questions posed in the letter from the
Tennessee Regulatory Authority dated January 28, 2000.

1. **As stated in the Executive Summary for these CSAs, renewal options are available. Please describe in detail all applicable provisions and customer/company obligations that must be met in order for the contract to be renewed.**

RESPONSE:

The applicable terms and conditions for contract renewal are stated in the Addendum to each Contract Service Arrangement (CSA).

For CSA TN99-4974-00 (Docket 00-00032), the Addendum states that "... Customer may renew the CSA for up to two additional 12-month terms by providing BellSouth written notice of it intent to do so within 30 days." No other terms or conditions apply.

For CSA TN99-7552-00 (Docket 00-00051), the Addendum states that "... Customer may renew the CSA for an additional 13 months by providing BellSouth written notice of its intent to do so within 30 days of the expiration of the original 36-month term of the CSA." No other terms or conditions apply.

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In both cases, the customer may renew the CSA for the designated amount of time by notifying BellSouth of its intent to do so within 30 days of the expiration of the original 36-month term of the CSA. If the customer so notifies BellSouth, the same terms and conditions that are in the CSA that has been filed with the TRA will continue to be in effect for the duration of the additional term. Alternatively, absent an affirmative election by the customer to renew the CSA, the CSA (to the extent it relates to the State of Tennessee) will expire at the end of the original 36-month term.

2. Why were the provisions regarding renewal options not included in the contracts?

RESPONSE:

Both of these contracts were negotiated on a regional basis, and they apply to states other than Tennessee. Both customers negotiated contracts with terms exceeding three years, and Tennessee is the only state in BellSouth's region that limits the duration of these negotiated contracts to three years. In an attempt to be consistent with the TRA's prior decisions regarding the duration of CSAs without depriving these business customers of the benefit of the agreement they bargained for, BellSouth presented each of these customers with the Addendum discussed above. Each Addendum is consistent with the TRA's prior decisions because the customer has the right to allow the contract to expire at the end of three years. Each addendum also preserves the benefit of the bargain the customer negotiated by allowing the customer to choose to continue the CSA for the duration they bargained for without having to re-negotiate a new CSA in Tennessee and only in Tennessee.

Please let us know if you have any questions or comments.

Very truly yours,

Charlie Horn

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